

An exemption is available for a nonresident individual who purchases tangible personal property outside Illinois and uses it outside this State for at least three months prior to bringing the property to this State. (This is a PLR).

April 9, 2001

Dear Xxxxx:

This Private Letter Ruling, issued pursuant to 2 Ill. Adm. Code 1200 (see <http://www.revenue.state.il.us/legalinformation/regs/part1200>), is in response to your letter of April 2, 2001. Review of your request for a Private Letter Ruling disclosed that all information described in paragraphs 1 through 8 of subsection (b) of Section 1200.110 (see <http://www.revenue.state.il.us/legalinformation/regs/part1200>) appears to be contained in your request. This Private Letter Ruling will bind the Department only with respect to PERSON for the issue or issues presented in this ruling. Issuance of this ruling is conditioned upon the understanding that neither PERSON nor a related taxpayer is currently under audit or involved in litigation concerning the issues that are the subject of this ruling request.

In your letter, you have stated and made inquiry as follows:

In accordance with Illinois Department of Revenue Regulation Section 150.715(b), we are requesting a private letter ruling to determine whether the vehicle described in Attachments 1&2 is exempt from the Illinois Use Tax. We believe that we qualify for the Non-Resident Exemption in Regulation Section 150.315(a) of the Use Tax Law and can therefore register and title the vehicle in Illinois without payment of the Use Tax.

We purchased the vehicle through the PROGRAM Delivery Program. When we ordered the vehicle in May 2000, and when we took delivery in Germany on DATE, we were residents of STATE since 1989. The vehicle had German tourist registration, and was driven in Germany for the remainder of our vacation, whereupon we delivered the vehicle to the shipping agent for shipment to the U.S.

While the vehicle was in transit to the United States we sold our house in STATE and put our household goods in storage in CITY. On December 29, 2000 we purchased a house in CITY, IL (Attachment 3). We then traveled to STATE where we rented a truck (Attachment 4), loaded our household goods from storage, (Attachment 5), and drove to Illinois, towing one vehicle on a car carrier, with PERSON2 driving her car. The VEHICLE was left in our storage unit in CITY/STATE, until such time as we could drive it to our new home in Illinois. Upon arrival, we had the household goods unloaded and moved into our house (Attachment 6).

On January 24, 2001, we obtained drivers licenses and registered to vote, thereby becoming residents of Illinois (Attachment 7)

This request relates to a prospective tax period. We do not have an audit or other litigation pending with the Department of Revenue.

April 9, 2001

To the best of our knowledge, the Department has not ruled on this or any similar issue for us, nor have we previously submitted the same issue and withdrawn it before a ruling was issued.

We have been unable to locate any authorities which are contrary to our view.

In general, when an automobile is purchased from an out of state retailer and then brought into Illinois for use, the purchaser would be liable for the 6.25% State Use Tax, and possibly local Use Tax, depending upon the location where the vehicle is titled and registered. The total tax due would be the rate measured upon the selling price.

The Use Tax does not apply to the use, in this State, of tangible personal property which is acquired outside this State by a nonresident individual who then brings the property to this State for use here, and who shall have used the property outside this State for at least 3 months before bringing the property to this State. Please refer to 86 Ill. Adm. Code 150.315.

An individual who purchases a vehicle from an out of state dealer that does not collect Illinois tax would normally file a return (form RUT-25) and remit the applicable Use Tax when titling and registering the vehicle in Illinois. Such return shall be filed not later than 30 days after such vehicle is brought into Illinois for use.

We have reviewed the documents appended to your letter. We conclude that when you title and register the vehicle in Illinois, you may claim the three month nonresident exemption on form RUT-25.

The facts upon which this ruling are based are subject to review by the Department during the course of any audit, investigation, or hearing and this ruling shall bind the Department only if the material facts as recited in this ruling are correct and complete. This ruling will cease to bind the Department if there is a pertinent change in statutory law, case law, rules or in the material facts recited in this ruling.

I hope this information is helpful. If you have further questions concerning this Private Letter Ruling, you may contact me at (217) 782-2844. If you have further questions related to the Illinois sales tax laws, please visit our website at www.revenue.state.il.us or contact the Department's Taxpayer Information Division at (217) 782-3336.

Very truly yours,

Karl W. Betz
Associate Counsel

KWB:msk
Enc.